Government of Saskatchewan

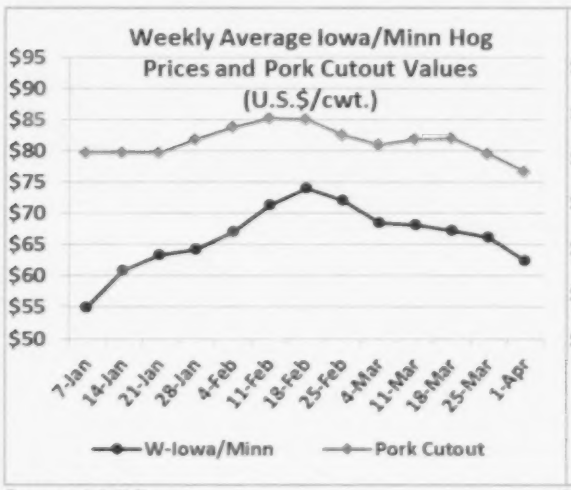
This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
Please use this information at your own risk.

Weekly Hog Report

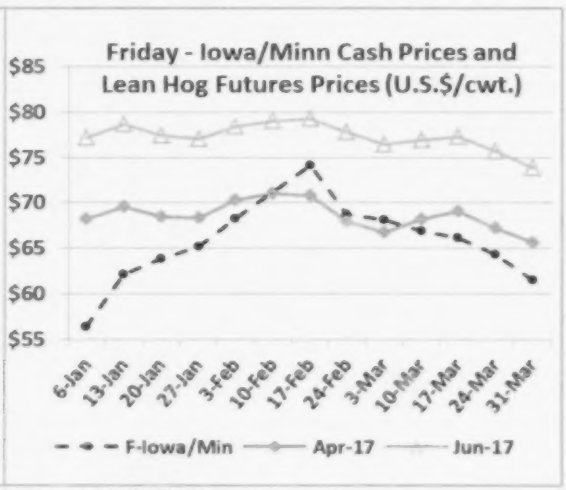
April 3, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved lower again last week. Hog prices on Friday March 31 averaged US$61.49 per cwt, down US$2.85 per cwt or 4.4 per cent from US$64.34 per cwt the previous Friday. The negotiated weekly base price last week averaged US$62.45 per cwt, down US$3.63 per cwt or 5.5 per cent from US$66.08 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

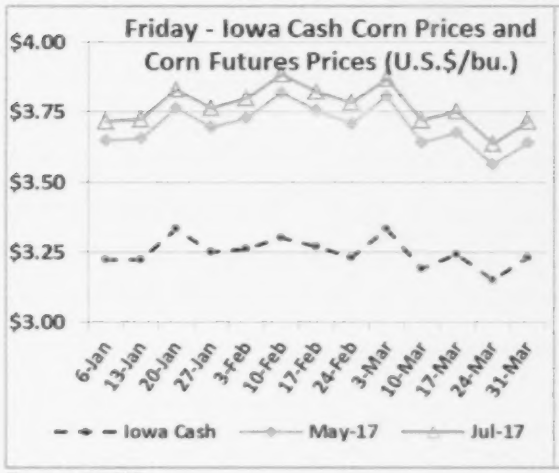
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday March 31, 2017 was $156.68 per ckg, down $8.21 per ckg or 5.0 per cent from $164.89 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $160.54 per ckg, down $5.85 per ckg or 3.5 per cent from the previous weeks' average price of $166.39 per ckg. The Canadian dollar moved higher to settle last Friday at 75.19 cents, up 0.45 cents from 74.74 cents the previous Friday.

Futures Markets

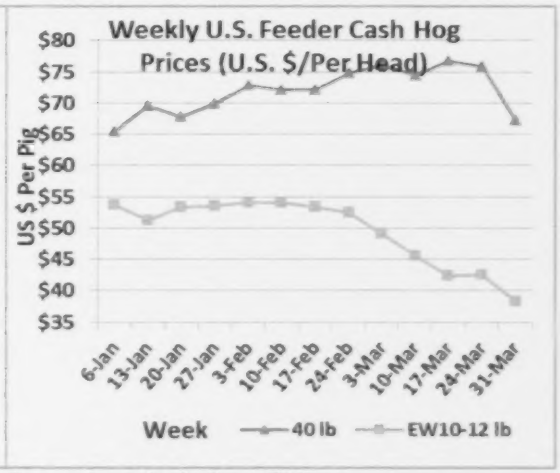
United States lean hog futures daily prices were mixed last week with losses early in the week to push the weekly prices lower, week-over-week. The April-to-June futures contracts declined between US$1.600 per cwt and US$2.375 per cwt last week. The nearby April 2017 lean hog futures contract declined US$1.600 per cwt last week to settle Friday at US$65.675 per cwt; while the June 2017 lean hog futures contract declined US$1.900 per cwt to settle last Friday at US$73.850 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were noticeably lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$38.37 per head, down US$4.11 per head or 9.7 per cent from US$42.48 per head the previous week. Feeders (40lb) averaged US$67.20 per head, down US$8.55 per head or 11.3 per cent from US$75.75 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.23 per bushel, up eight cents from US$3.15 per bushel the previous Friday. Daily corn futures were mixed but primarily higher last week to push prices higher, week-over-week. The May and July corn contracts both increased eight cents with the May contract settling Friday at US$3.64 ¼ per bushel; and the July contract settling Friday at US$3.71 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 1 were estimated at 2.343 million head, up 1.3 per cent from 2.313 million head the previous week, and up 7.3 per cent from 2.184 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.326 million head, up 6.1 per cent from 2.194 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending March 25, 2017 were estimated at 429,792 head, up 4.5 per cent from 411,239 head the previous week, and up 15.1 per cent from 373,415 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 419,635 head, up 3.5 per cent from 406,020 head over the same period a year ago. Year-to-date, for the first 12 weeks of 2017, Canadian hog slaughter numbers totaled 5,120,101 head, up 1.3 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending March 25, 2017 averaged 174,407 head, up 5.7 per cent from 165,009 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 2,098,075 head in 2017, up 2.9 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending April 1, 2017 was estimated at 497.5 million lb., up 1.3 per cent from 491.2 million lb. the previous week, and up 6.6 per cent from 466.9 million lb. the same week a year ago. Pork production over the last four week's ending April 1 was estimated to average 494.0 million lb., up 5.7 per cent from 467.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 1 was estimated at 484.6 million lb., down 3.4 per cent from 501.5 million lb. the previous week, but up 8.5 per cent from 446.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 25, 2017, was estimated to average 2.088 billion lb., up 4.1 per cent from 2.006 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.2 per cent compared to the same period in 2016.

United States Weekly Meat Production

(March 25) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	468.9	492.6	5.1%	2.3%
Beef	450.2	487.0	8.2%	5.3%
Chicken	964.0	973.7	1.0%	0.6%
Turkey	123.6	134.9	9.2%	2.6%
Total	**2,006.5**	**2,088.1**	**4.07%**	**2.21%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending April 1, 2017 averaged US$76.71 per cwt, down US$2.78 per cwt or 3.5 per cent from US$79.49 per cwt the previous week, but up 0.3 per cent from US$76.50 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending April 1, 2017 averaged US$217.15 per cwt over the week, down US$5.97 per cwt or 2.7 per cent from US$223.12 per cwt the previous week, and only down 2.4 per cent from US$222.46 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending April 1, 2017 averaged US$127.43 per cwt, up US$2.60 per cwt or 2.1 per cent from US$124.83 per cwt the previous week, and up 8.4 per cent from US$117.56 per cwt the same week a year ago.

USDA Hogs and Pigs Report

USDA released the March *Hogs and Pigs Report* on March 30, 2017. Total U.S. hog inventory numbers as of March 1, 2017, was estimated at 70.976 million head, up 4.2 per cent from 68.124 million head on March 1, 2016, but down 0.7 per cent from 71.500 million head as of December 1, 2016. The total annual inventory increase of 4.2 per cent was about 0.3 per cent above the average increase estimated by the trade analysts (103.9).

Breeding herd inventory numbers in the United States as of March 1, 2017, was estimated at 6.068 million head, up 1.5 per cent from 5.980 million head on March 1, 2016, but down 0.4 per cent from 6.090 million head on December 1, 2016. Breeding herd numbers were slightly below the trade analyst estimates of 1.7 per cent growth (101.7).

Market herd inventory numbers in the United States as of March 1, 2016, was estimated at 64.908 million head, up 4.45 per cent from 62.144 million head on March 1, 2016, but down 0.8 per cent from 65.410 million head on December 1, 2016. Trade analysts were estimating market inventory numbers to increase by 4.1 per cent (year/year) which was about 0.3 per cent less than the 4.45 per cent increase reported by USDA. The September market inventory numbers were revised up 620,000 head or one per cent in the March report with the 50-119 lb. weight category increasing the most, at 2.3 per cent.

United States Hog Inventory Numbers, (1,000 head)

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Dec.-Mar.	Y/Y(Mar.)
All Hogs & Pigs	69,185	68,919	68,124	69,281	71,886	71,500	70,976	**-0.73%**	**4.19%**
Kept for breeding	5,986	6,002	5,980	5,979	6,016	6,090	6,068	**-0.36%**	**1.47%**
Market	63,200	62,917	62,144	63,302	65,870	65,410	64,908	**-0.77%**	**4.45%**
Market Hogs									
Under 50 lbs	20,741	20,008	19,897	20,356	21,215	20,882	20,617	**-1.27%**	**3.62%**
50-119 lbs	18,496	17,262	17,198	18,198	19,276	18,037	17,902	**-0.75%**	**4.09%**
120-179 lbs	12,855	13,370	13,819	13,291	13,665	13,831	14,570	**5.34%**	**5.43%**
180 lbs & Over	11,108	12,276	11,229	11,456	11,713	12,660	11,819	**-6.64%**	**5.25%**

Source: March 30, 2017 USDA Hogs & Pigs Report

Sow farrowing numbers for the December-to-February 2017 period totaled 3.010 million head, a 2.8 per cent increase from 2.927 million head farrowed the same quarter a year ago, and above the 1.6 percent increase estimated by trade analysts (101.6).

United States, Sows Farrowing and Intentions, Pigs Born

Quarterly Sows Farrowing and Intentions				Quarterly Pigs Born		
	Thousand Head			Thousand Head		
Quarter	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Dec - Feb (1)	2,895	2,927	3,010	29,627	30,139	31,400
Mar - May	2,854	2,968	3,010 (2)	29,593	31,097	
June - Aug	3,017	3,057	3,045 (2)	31,343	32,331	
Sept - Nov	2,929	3,043		30,848	32,333	
TOTAL	**11,695**	**11,995**		**121,411**	**125,900**	**31,400**

(1) December preceeding year.

(2) Farrowing Intentions.

Source: USDA Hogs and Pigs Report, March 30, 2017.

USDA reported farrowing intentions for the March-to-May 2017 period were estimated at 3.010 million head, a 1.4 per cent increase from the same quarter a year ago. Trade analysts were also projecting a 1.4 per cent increase for farrowing intentions (101.4). The reported USDA June-to-August 2017 farrowing intentions were estimated at 3.045 million head, a 0.4 per cent decline from 3.057 million head the same quarter a year ago. Trade analysts were projecting a 1.6 per cent increase in farrowing numbers for the June-to-August period, which is about two per cent higher than the USDA numbers.

USDA estimated the December-to-February 2017 pig crop at 31.400 million head, a 4.2 per cent increase from the same quarter in 2016. Trade analysts were only estimating a 3.4 per cent increase in the pig crop which was almost one per cent lower than USDA numbers. Pigs saved per litter over the December-to-February 2017 period were 10.43 pigs, a 1.3 per cent increase from 10.30 pigs saved the same quarter a year ago.

The *USDA Hogs and Pigs Report* numbers in general were close to the average trade analyst numbers with no major deviations. USDA market hog inventory numbers were 4.45 per cent higher compared to the trade analyst estimates of a 4.1 per cent increase, year-over-year. All market hogs in the different weight categories were higher than a year ago with the 120-179 lb. weight category increasing the most at 5.4 per cent, above the trade analyst estimates of a 4.6 per cent increase. USDA farrowing intentions for the June-to-August 2017 period were below the same quarter a year ago, while the trade analysts were projecting farrowing numbers to increase by 1.6 per cent.

The *USDA Hogs and Pigs Report* will likely be viewed as relatively neutral to slightly negative with both some negative and positive numbers compared to the average trade estimates. While the recent pig crop and market inventory numbers are a bit higher than the average trade estimates, future farrowing projections for the summer are both less than year ago numbers and trade analyst estimates.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca